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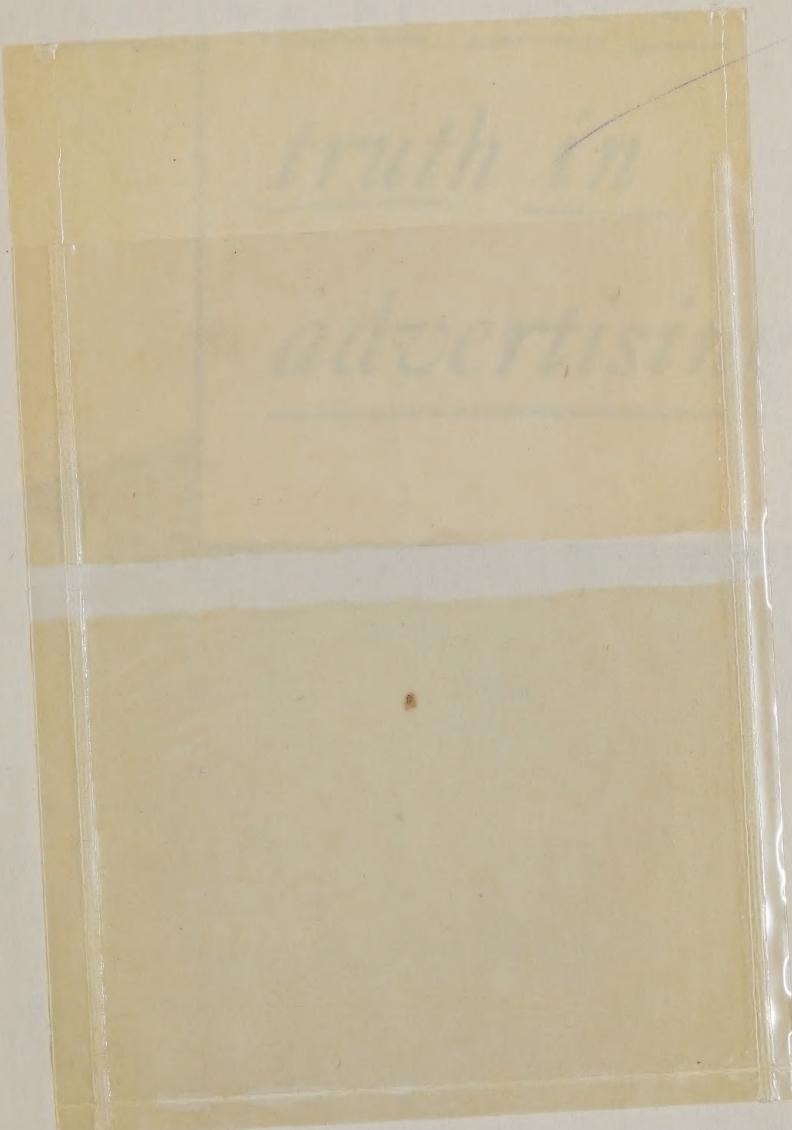
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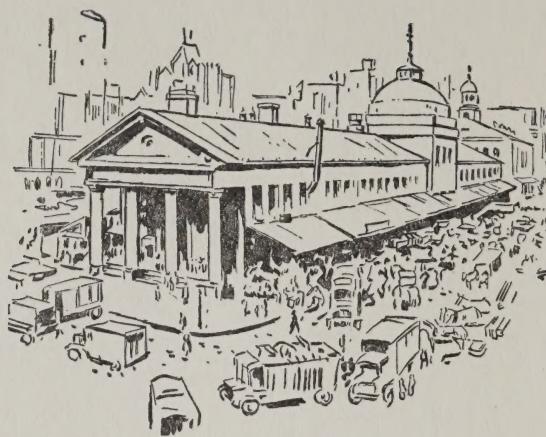
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## GROWTH OF THE *truth in advertising* PROGRAM

In publishing this booklet the Fort Wayne Advertising Club is furthering the movement originally launched by its national organization forty-two years ago. It was in 1911 that the Advertising Federation of America in convention at historical Faneuil Hall, Boston, originated the "Truth in Advertising" movement out of which grew the National Better Business Bureau. Today, Better Business Bureaus are operating in principal cities throughout the United States and Canada, valiantly working in many instances in close cooperation with Advertising Clubs, for integrity in advertising in the interest of advertisers and consumers. We especially acknowledge the effective work of the Fort Wayne Bureau.

FORT WAYNE *ad*VERTISING CLUB

# Contents

GROWTH OF "TRUTH IN ADVERTISING".....	2
CONTENTS .....	3
BETTER BUSINESS BUREAU CODE OF ADVERTISING.....	4-9
Descriptions and Illustrations.....	5
Comparative Prices.....	5
Sales .....	6
Guarantees .....	7
Trade-in Allowance .....	7
Free and Gift .....	7
Excise Tax .....	8
Discontinued Models .....	8
Wholesale .....	8
Seconds .....	9
Bait Advertising .....	9
Exaggerated Statements .....	9
INDIANA ADVERTISING LAW .....	10
A STATEMENT OF ADVERTISING PRINCIPLES .....	11

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# *Code of Truth in Advertising*

BY THE FORT WAYNE  
BETTER BUSINESS BUREAU

Retail trade is based upon CONFIDENCE—the customer's faith in the integrity of the merchant and the merchandise.

When a retail establishment loses public confidence, their profitable life in business is short indeed. Conversely, confidence follows truth in advertising, honorable merchandising and square dealing—and rewards the merchant with loyal customers, personal satisfaction and profits.

Although one word, "TRUTH," conscientiously applied, would provide the only guide needed for the preparation of retail advertising, the following text has been compiled as an aid for those who write and produce ad copy and layouts.

Federal Trade Commission regulations cover all of the essential points noted herein and could, if invoked, serve as a legal deterrent to offenders. However, it will be noted that the text is intended as a guide to self-regulation and suggests only the application of simple, honest principles to the planning and production of retail advertising. The reason for each suggestion will be obvious to all.

## 1

# *Descriptions and Illustrations*

Item (A) Advertising descriptions (printed, spoken and televised) shall be accurate and sufficiently complete so as not to mislead the reader or listener. Unprovable claims and representations shall not be used.

Item (B) Cuts and illustrations shall conform with close accuracy to the merchandise advertised.

Item (C) The names of the material or fiber content of merchandise shall be disclosed wherever failure to make such disclosure might have the tendency or capacity to mislead or deceive the public.

## 2

# *Comparative Prices*

Definition. A comparative price, or a comparative "value" is a price figure, or statement of similar nature, expressed in comparison with the actual selling price of an article, which attributes to that article a former, current or future selling price, or a current "value" or "worth", higher than the actual selling price.

Advertising implying comparatives shall conform to the following rules:

Item (A) Permanent Markdowns. Use the last previous price as a comparative price. FORMER PRICE, FORMERLY mean the last previous price.

Item (B) Temporary Reductions. REGULAR PRICE, REGULARLY means price before the temporary sale and price to which goods revert after the sale.

Item (C) Special Purchases. (BE CAREFUL . . . HERE'S WHERE MOST OF THE TROUBLE COMES). Not markdowns or temporary reductions, but goods bought and offered at "special price" concession. If comparative price is used, it should be based on price for which the same or comparable goods are

selling in local stores. HAVE THE FACTS . . . DO NOT GUESS OR ESTIMATE.

USUALLY, USUAL PRICE, USUAL GRADE, are the terms to express a comparative price on a special purchase. DO NOT USE THESE TERMS ON MARK-DOWNS.

Danger of misrepresentation of comparative prices on special purchases can be minimized by confining comparison to your own store by such terms as:

... OUR USUAL PRICE

... SIMILAR MERCHANDISE HAS SOLD IN OUR STORE AT \$.....

... LAST PRICE AT WHICH THIS (OR SIMILAR) MERCHANDISE WAS SOLD IN OUR STORE WAS \$.....

Item (D) Claims of savings. When claims of savings are made in specified amounts (e.g. 1/2 to 1/3, \$5 to \$15, etc.) they shall mean savings based on current competitive prices unless otherwise qualified.

(Note: The use of the terms "value" and "worth" have been so greatly abused in advertising that their elimination is recommended. There are other terms the public construes as meaning "value" which are also frequently abused and their elimination is likewise recommended. For instance—"Usual Value," "Selling Elsewhere," "Price in Other Stores," "Should Sell For," "Made to Sell For," "If Not Specially Purchased Would Sell For.")

## 3

### *Sale*

Item (A) Sale. The public construes the term "Sale" to mean an offering of merchandise at a price concession. The public has a right to believe that each item listed under a "SALE" heading is offered at a price concession unless the advertising clearly indicates that specific items are not so offered.

Item (B) Time Limit of Sales. Time limit sales shall be rigidly observed. For example: Merchandise offered

in a one day sale shall be taken off sale or revert to a higher price on the day following the sale. August sales shall be confined to August, etc.

Item (C) Clearance. Clearance shall mean clearance of a store's own stocks and not those of any manufacturer, unless so states in the advertisement. The quantity, pattern and all other limitations of the merchandise shall be clearly stated whenever possible.

(NOTE: When using comparative prices in advertising "Sales" or "Clearances" follow rules outlined in Section 2.)

## 4

# *Guarantees*

All guarantees shall be specific, definite and clear to the public in meaning and application. Conditions or time limits shall be included.

(NOTE: The term "AS IS" indicates that the goods are sold and bought "AS IS", in the condition in which they are shown and seen, and without guarantee.)

## 5

# *Trade-in Allowance*

A fixed and arbitrary trade-in allowance, regardless of the size, type, age, condition or value of the article traded in and which, on the face of it, is excessive, shall not be used for the purpose of disguising the true retail price or creating a false impression that a reduced price or special price is obtainable only by such trade-in.

6

## *Free and Gift*

The word "FREE" shall not be used in any advertised offer in such a way as to be misleading or deceptive. If "FREE" offer is conditional (i. e., if the "free" item depends upon the purchase of another item), the layout of the advertising should make it immediately clear to the average reader that this is the case.

7

## *Excise Tax*

When an excise tax is applicable to the articles sold at retail all forms of advertising shall contain adequate notice as to whether or not the advertised price includes or does not include the tax.

8

## *Discontinued Models*

Advertising of a discontinued model shall not represent or imply that it is the latest or current model when such is not a fact.

9

## *Wholesale*

"Less than Wholesale", "Factory Price", and "Wholesale" shall not be used in retail advertising unless such is the fact and the advertiser is willing to furnish written proof.

## 10

### *Seconds*

Second quality, imperfect, irregular, second-hand and used merchandise shall be so advertised.

Item (A) A separate display line shall specify such merchandise in display type directly below the heading or adjacent to the price.

Item (B) If price comparisons are made with perfect merchandise, the statement shall read "would be \$..... if perfect".

## 11

### *Bait Advertising*

Item (A) No merchandise shall be advertised unless (1) a reasonable quantity is available, or (2) the exact quantity is stated, or (3) "odds and ends—limited quantities" are featured.

Item (B) There shall be no limitation of the number or quantity of an advertised article which the customer may buy unless the restriction is stated in the advertisement.

## 12

### *Exaggerated Statements*

Item (A) Such statements as "The Greatest Sale in Fort Wayne", "Biggest Bargains Ever Shown", "Unmatched Values", or other unqualified statements shall not be used. Superlatives such as "Unmatchable", "Never Equaled", "Incomparable", "Lowest Credit Terms" or words of similar import are unqualified and shall not be used.

Item (B) Underselling claims—advertising claiming a general policy of underselling shall not be used.

Item (C) Headquarters—this term, when used to describe an advertiser, should mean an exclusive agency, or the only concern or the principal concern where certain merchandise may be secured.

# *Indiana Advertising Law*

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(As Adopted from Printers' Ink Model Statute)

(Chapters 55, Acts 1917)

**TITLE.** An act to regulate advertising.

**ADVERTISING REGULATIONS—PENALTY.**

Section 1. Be it enacted by the General Assembly of the State of Indiana, that any person, firm, corporation or association, who with intent to sell or in any manner dispose of merchandise, securities, service, or anything offered by such person, firm, corporation or association directly or indirectly, to the public for sale or distribution, or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto or any interest therein, makes, publishes, disseminates, circulates or places before the public, or causes directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in this state, in a newspaper or other publication or in the form of a book, notice, handbill, poster, bill, circular, pamphlet, or letter, or in any other way, an advertisement of any sort regarding merchandise, securities, service or anything so offered to the public, which advertisement contains any assertion, representation or statement of fact which is untrue, deceptive or misleading, shall be guilty of a misdemeanor, and shall be liable to a fine of not less than ten dollars (\$10) nor more than one hundred dollars (\$100) for each offense: Provided, however, that the provisions of this act shall not apply to any owner, publisher, printer, agent or employee of a newspaper or other publication, periodical or circular who, in good faith, and without knowledge of the falsity or deceptive character thereof, publishes, causes to be published, or takes part in the publication of such advertisement.

*A statement* OF ADVERTISING PRINCIPLES

- 1** Good Advertising—aims to inform the consumer and help him to buy more intelligently.
- 2** Good Advertising—tells the truth, avoiding misstatement of facts as well as possible deception through implication or omission. It makes no claims which cannot be met in full and without further qualification. It uses only testimonials of competent witnesses.
- 3** Good Advertising—conforms to the generally accepted standards of good taste. It seeks public acceptance on the basis of the merits of the product or service advertised rather than by the disparagement of competing goods. It tries to avoid practices that are offensive or annoying.
- 4** Good Advertising—recognizes both its economic responsibility to help reduce distribution costs and its social responsibility in serving the public.

**827221**

ADVERTISING FEDERATION OF AMERICA

World's Largest Advertising Organization

January 8, 1946

*The Fort Wayne Advertising Club is a Member of the Advertising Federation of America*



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